Joint ATMs

66. DR. DASARI NARAYANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether various banks have joined hands to run Joint ATMs in the country;

(b) if so, the details thereof; and

(c) what facilities are being offered to the customers by these groups of banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) RBI had issued no objection to following banks to act as settlement banks for shared ATM Networks.

(i) IDBI Bank for settlement of transactions performed over a shared ATM network owned and managed by Euronet India branded as Cashnet. Citibank, Standard Chartered Bank, UTI Bank and Development Credit Bank have joined the Cashnet;

(ii) Bank of India for a shared ATM Network named as Cash Tree with 3 other banks *viz.* Indian Bank, Syndicate Bank and the United Bank of India ;and

(iii) Punjab National Bank for a shared ATM Network named as MITR with 6 other banks *viz.* Andhra Bank, Indian Bank, Oriental Bank of Commerce, Vijaya Bank, Global Trust Bank Ltd. and the UTI Bank Ltd.

(c) Under the Shared ATM Network, the customers of one member bank can transact through all the connected ATMs. While the shared ATM Network expands the customer base it also reduces cost of transactions through technological upgradation.

Prompt corrective action by Punjab and Sind Bank

67. SHRI RAMADHAR KASHYAP: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI had in January, 2003 suggested several points on which action was required to be taken by Punjab and Sind Bank under Prompt Corrective Action (PCA);

(b) if so, the reasons for not taking action on the point referred to by RBI to PSB;and

(c) what are the points referred to by the RBI to PSB?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (c) Yes, Sir. Reserve bank of India has conveyed to Punjab & Sind Bank in January, 2003 the action points under prompt corrective action framework. The points includes the following:

(1) Submission and implementation of capital restoration plan by the bank

(2) Bank will restrict expansion of risk weighted assets.

(3) Bank will not enter into new lines of business.

(4) Bank will not access/renew costly deposits and CDs.

(5) Bank will skip dividends till achievement of minimum stipulated CRAR.

(6) Bank to undertake special drive to reduce the stock of NPAs and contain fresh generation of NPAs.

(7) Bank will review its loan policy with a view to reduce NPA.

(8) Bank will take steps to upgrade credit appraisal, skills and systems

(9) Bank will strengthen follow-up of advances including loan review mechanism for large loans.

(10) Bank will follow-up suit filed/decreed debt cases effectively.

(11) Bank will put in place proper credit risk management policies/ processes/procedures/prudential limits.

(12) Bank will reduce loan concentration-individual, group, sector, industry etc.

(13) Bank will take steps to increase fee based income.

(14) Bank will take steps to contain administrative expenses.

(15) Cautious approach in exposure to sensitive sector like capital market, real estate, investment in non-SLR securities etc.

(16) Bank will not incur any capital expenditure other than for technological upgradation and for such emergent replacements within Board approved limits.

(17) Bank will not expand its staff/fill up vacancies.

(b) Punjab & Sind Bank has reported that they have taken action on the points referred by Reserve Bank of India.

Reduction in Prime lending rates

68. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether banks are planning to reduce their prime lending rates;

(b) if so, the details thereof;

(c) whether the deposit rates of banks are reduced to the lower levels recently;

(d) if so, whether this will affect bank deposits;

(e) what is the total deposits in the nationalised banks in Kerala, bank-wise, category-wise as on today; and

(f) the total amount of loan distributed in Kerala by banks, bank-wise, category-wise as on today?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) RBI has reported that in the existing deregulated regime, the interest rates on advances are determined by the banks themselves with the approval of their Boards based on their commercial judgement. Banks are free to make changes in their Prime Lending Rates (PLRs). The range of PLRs of the bank groups during the previous three years is as under :

Bank's Group	March 2001	March 2002	March 2003	November 2003
Public Sector Banks	10.00-13.00	10.00-12.50	9.00-12.25	9.00-12.25
Private Sector Banks	8.00-15.50	10.00-15.50	7.00-15.50	7.00-15.50
Foreign Banks	9.25-17.50	9.00-17.50	6.75-17.50	4.85-17.50

(c) Banks are free to determine their term deposit rates. The deposit rate of commercial banks come down in the recent times. The range of deposit rates of bank groups during the last three years is as under :